



U.S. Department of Education
Office of Inspector General

Duplicate Higher Education Emergency Relief Fund Grant Awards

June 9, 2022
ED-OIG/F20CA0047

ED OIG Oversight of Coronavirus Response Funds
FLASH REPORT



NOTICE

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. The appropriate Department of Education officials will determine what corrective actions should be taken.

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**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**

Audit Services

June 9, 2022

TO: Michelle Asha Cooper, Ph.D.
Deputy Assistant Secretary for Higher Education Programs Delegated the Authority to
Perform the Functions and Duties of the Assistant Secretary, Office of Postsecondary
Education

FROM: Bryon S. Gordon /s/
Assistant Inspector General for Audit

SUBJECT: Final Flash Report, "Duplicate Higher Education Emergency Relief Fund Grant Awards,"
Control Number ED-OIG/F20CA0047

Attached is the subject final flash report consolidating the results of our review of duplicate Higher Education Emergency Relief Fund grant awards. We have provided an electronic copy to your audit liaison officer. We received your comments on the draft of this report and considered them as we prepared the report.

U.S. Department of Education policy requires that you develop a final corrective action plan within 30 days of the issuance of this report. The corrective action plan should set forth the specific action items and targeted completion dates necessary to implement final corrective actions on the findings and recommendations contained in this final flash report. Corrective actions that your office proposes and implements will be monitored and tracked through the Department's Audit Accountability and Resolution Tracking System.

In accordance with the Inspector General Act of 1978, as amended, the Office of Inspector General is required to report to Congress twice a year on the audits that remain unresolved after 6 months from the date of issuance.

We appreciate your cooperation during this review. If you have any questions, please contact me at (202) 987-0162 or Daniel Schultz, Director of Pandemic Relief Audits, at (202) 262-1046.

Attachment

Purpose

This flash report presents our finding concerning duplicate Higher Education Emergency Relief Fund (HEERF) grant awards to institutions of higher education.¹ This report includes a recommendation to enhance the U.S. Department of Education's (Department) ability to prevent, identify, and correct duplicate HEERF grant awards.

While analyzing HEERF program award data in the Department's grants management system (G5), we identified schools that were awarded the same HEERF award twice (duplicate awards). Due to the limited nature of our review, this report covers only duplicate awards and not other types of award discrepancies.

What We Did

We reviewed G5 data to identify duplicate HEERF awards as of August 2021. The review covered HEERF funds that the Department awarded to schools from April 2020 through August 2021 for eight HEERF subprograms under three laws—the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan (ARP).² For each duplicate award identified, we reviewed supporting documentation such as grant applications, grant award notifications, and activity reports to validate that a duplicate award existed. We also interviewed officials from the Department's Office of Postsecondary Education (OPE) about their policies, procedures, and processes for identifying, correcting, and documenting duplicate awards. We notified OPE of the duplicate awards identified and verified corrective actions taken by OPE.

What We Found

We identified 25 duplicate HEERF grant awards that OPE made to 24 schools, totaling about \$73 million, which had not been corrected and documented in G5 as of August 2021. OPE officials stated that their processes for reviewing and approving HEERF applications and awards, which evolved over time, resulted in OPE identifying and correcting many duplicate HEERF grant awards. However, we found that OPE's processes did not always prevent or timely identify and correct duplicate HEERF grant

¹ In this report, we use the term "award" to mean a grant award or an obligation; and the term "school" to mean an institution of higher education. An "obligation" is defined as a financial commitment to pay the grantee based on the terms and conditions for funding.

² The CARES Act, Public Law 116-136, was enacted on March 27, 2020; CRRSAA, Public Law 116-260, was enacted on December 27, 2020; and ARP, Public Law 117-2, was enacted on March 11, 2021.

awards, and that OPE did not consistently document activities taken to correct duplicate awards. Overall, OPE could improve its quality assurance review process for HEERF and other future emergency Federal education programs to lessen the risk of making overpayments to schools and of schools drawing down more funds than they were allocated.

Background

The HEERF program provides grants to schools to prevent, prepare for, and respond to the coronavirus. Funding for the HEERF was authorized under three laws—\$13.9 billion through the CARES Act, \$22.7 billion through the CRRSAA, and \$39.6 billion through the ARP. Collectively, these coronavirus relief laws provide more than \$76 billion for the HEERF program, which comprises 10 subprograms that are identified by separate Assistance Listing Numbers (ALN). In Appendix B, we list the 10 HEERF subprograms and identify the 8 subprograms we reviewed.³

The Department divided the primary HEERF funding stream between two subprograms—50 percent as the Student Aid Portion (ALN 84.425E) subprogram for emergency financial aid grants and 50 percent as the Institutional Portion (ALN 84.425F) subprogram for the remaining funds. The eight remaining subprograms provided additional funding to eligible schools.

For each subprogram that we reviewed, the Department allocated HEERF funding to eligible schools based on statutorily established allocation formulas. The process for awarding HEERF grants generally entailed schools submitting an application that identified the applicable subprogram and allocation amount as determined by the Department. After reviewing the application, Department staff made the grant award by issuing a Grant Award Notification to the school and obligating the funds in the G5 system. Once the funds were obligated, schools could access and draw down the funds. The Department generally distributed CRRSAA and ARP funding as supplements to existing CARES Act grant awards, which did not require the school to submit another application. Schools that did not receive HEERF funding under the CARES Act were subject to the application process to receive CRRSAA funding. Schools that did not receive HEERF funding under the CARES Act or CRRSAA were subject to the application process to receive ARP funding.

OPE is responsible for administering the HEERF program. After the CARES Act was enacted in March 2020, OPE relied primarily on existing staffing levels and grant-

³ At the time of our analysis, the Department had not made awards under two of the HEERF subprograms. As a result, we did not include those subprograms in our review.

management policies and procedures to process and distribute a large volume of funding to schools as quickly as possible. In September 2020, OPE established the Emergency Response Unit (ERU) to centralize its management and oversight of the HEERF program.⁴ The ERU performed various HEERF grant administration and oversight functions such as processing grant awards and providing guidance and technical assistance to grantees.

Duplicate HEERF Awards

Our review of G5 data identified 24 schools that had 25 duplicate HEERF awards totaling about \$73 million, as of August 2021.⁵ We determined that these 25 duplicate awards occurred across 6 HEERF subprograms and from the funds provided under all 3 coronavirus relief laws (CARES Act, CRRSAA, and ARP). Twenty of the duplicate awards involved the Student Aid Portion (ALN 84.425E) or Institutional Portion (ALN 84.425F) subprograms. OPE made 13 of the 25 duplicate awards under the CARES Act between April and November of 2020. While the 25 duplicate awards represented less than 0.1 percent of the more than 30,000 HEERF awards made by OPE under the CARES Act, CRRSAA, and ARP, it is important for OPE to take timely steps to address duplicate awards and prevent further duplicate awards.

School and OPE Processing Errors

Two scenarios generally describe the duplicate awards we identified. In the first scenario, we determined that 15 schools had each submitted 2 applications for the same HEERF subprogram. OPE processed both applications and made duplicate awards for the same subprograms. Most of these schools submitted two applications for the Student Aid Portion subprogram under the CARES Act. However, based on the descriptive information included in the application, it appears that the schools intended for one of the applications to be for the Institutional Portion subprogram. One school had multiple locations and submitted separate applications for the Student Aid Portion and Institutional Portion subprograms for two of its locations, resulting in a duplicate award for each subprogram. We noted that the CARES Act allocation table for the

⁴ For the first 4 months after its creation (September–December 2020), the ERU’s sole responsibility was to implement the Institutional Resilience and Expanded Postsecondary Opportunity subprogram (ALN 84.425P). In January 2021, OPE began assigning administrative and oversight responsibilities for the larger HEERF portfolio to the ERU with full responsibility for the entire HEERF portfolio having been assigned to the ERU by August 2021.

⁵ One school had duplicate awards for 2 subprograms resulting in 25 duplicate awards across the 24 schools.

Student Aid Portion and Institutional Portion subprograms may have caused some confusion. For each school, the table listed the total allocation for the two subprograms combined and the minimum allocation for emergency financial aid grants to students, but not did not name the two subprograms nor their respective allocation amounts. Since schools had to submit an application for each subprogram, some schools may have confused the two subprograms on the application. Under the CRRSAA and ARP, however, the allocation tables did identify the Student Aid Portion and Institutional Portion subprograms by name and ALN and each school's allocation amount for each subprogram.

In the second scenario, we determined that the remaining nine schools had submitted only one application for the HEERF subprogram and OPE processed duplicate HEERF awards under one application. In both scenarios, OPE processed duplicate awards that made more funds available for these schools than the approved allocation amounts.

OPE officials stated that, in general, duplicate awards were typically due to schools submitting multiple applications or applying under different names. In addition, OPE officials stated that creating separate subprograms for the Student Aid Portion and Institutional Portion resulted in OPE staff inadvertently approving some duplicate awards, primarily under the CARES Act when the Department had to manually process an unprecedented volume of awards in an expedited manner.

Impact of Duplicate Awards

The 25 duplicate awards that we identified resulted in a total of about \$73 million in additional HEERF funds that were available for the 24 schools to access and draw down. According to G5 data, most of the schools did not draw down funds from the duplicate award; however, eight schools did draw down the funds. At the time of our review, we determined that:

- Two schools drew down and retained about \$1.2 million in duplicate award funds.
- Three schools drew down about \$3.2 million in HEERF funds from the incorrect subprogram because they had two Student Aid Portion (ALN 84.425E) awards and did not have an Institutional Portion (ALN 84.425F) award. The schools drew down and used their duplicate Student Aid Portion award as their Institutional Portion award resulting in the schools drawing down the correct amount of HEERF funding in total.
- Three schools drew down about \$600,000 in HEERF funds and returned the funds 4–8 months later.
- Sixteen schools did not draw down funds from the duplicate HEERF award.

Guidance and Requirements for Administering HEERF Funds

Federal guidance issued before and in response to the coronavirus addresses the need for Federal agencies to safeguard the coronavirus relief funding and establish written policies and procedures to manage risk.

Office of Management and Budget (OMB) Memorandum M-20-21 (April 2020), *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)* explained how Federal agencies should implement CARES Act programs. It directs agencies to balance speed with transparency and consider three core principles: mission achievement, expediency, and transparency and accountability. To adhere to these principles, the guidance directs agencies to continue to use standard best practices for planning, awarding, and managing grants and other forms of assistance. Agencies should also balance the need for expediency with steps to mitigate risk of fraud, waste, abuse, and improper payments.

OMB Memorandum M-21-20 (March 2021), *Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources* explained how Federal agencies should implement the ARP program and effectively steward these funds. The guidance states that agencies should consider the impact that the increased volume of program applications and limitations in resources relative to volume of applications or funding have on the program's payment integrity. The agency should consider whether those risk factors are significant enough to warrant the implementation of additional payment integrity risk mitigation strategies prior to disbursing funds.

The *U.S. Department of Education Departmental Directive, Guide for Managing Formula Grant Programs* (OFO-F: 2-111, August 2019)⁶ requires that all principal officers administering formula grant programs establish or update, by June 1 of each year, written standard operating procedures which are required for the approval of applications, obligation and award of formula grants, and monitoring of formula grantees.

OPE Steps to Prevent, Identify, and Correct Duplicate HEERF Awards

OPE officials stated that OPE's policies and procedures for administering HEERF grants, including identifying and correcting duplicate awards, evolved over time. According to the officials, OPE's primary focus after the CARES Act was enacted was to allocate and

⁶ This guide, which OPE officials said that staff used to manage the HEERF program, is the Department-wide policy and procedural framework for formula grant programs.

award HEERF grant funds to schools as quickly as possible. OPE took some steps to prevent, identify, and correct duplicate awards, as described below. However, we determined that these steps were not adequate to timely identify, correct, and document activities taken to correct duplicate awards.

OPE Procedures Under the CARES Act

Prior to our review, the U.S. Government Accountability Office (GAO) reported on the Department's process for approving and awarding HEERF grants under the CARES Act.⁷ In July 2021, GAO reported that OPE did not effectively design and implement procedures needed to identify erroneous award amounts. GAO estimated that OPE awarded grants in excess of their allocated amount to 5.5 percent (about 262) of all schools receiving HEERF grants under the CARES Act. Within its sample of awards, GAO identified three schools that had HEERF award discrepancies—two schools with duplicate awards and one school with an award greater than its allocation.⁸

The GAO report stated that the erroneous awards, including duplicate awards, were the result of OPE relying primarily on existing staffing levels and grant-management policies and procedures to administer HEERF grants. The report stated that OPE's procedures only called for staff to review grant amounts as part of the award-preparation process (pre-award). In addition, GAO reported that OPE staff initially checked all grant awards to mitigate the risk of duplicates and confirm the accuracy of the award, but this post-award quality assurance review was not part of OPE's policies and procedures, and staff did not regularly perform the reviews due to staffing constraints as the number of grants increased.

GAO recommended that the Department design and implement procedures for regularly conducting quality assurance reviews of obligated amounts for higher education grants, including HEERF, to help identify and correct erroneous awards in a timely manner. GAO reported that the Department agreed to the recommendation and stated that it had already established, and would continue to enhance, procedures for quality control of grant awards.

OPE Efforts to Enhance Procedures under CRRSAA and ARP

Our review included OPE's response to the GAO report as well as OPE's policies and procedures implemented under CRRSAA and ARP. OPE officials stated that the process

⁷ *COVID-19: Continued Attention Needed to Enhance Federal Preparedness, Response, Service Delivery, and Program Integrity* (GAO-21-551), July 2021.

⁸ The 2 schools that GAO identified with duplicate awards were not among the 24 schools we identified.

described in the GAO report enabled staff to prevent many potential duplicate awards during the initial awarding of HEERF funds under the CARES Act. For the CRRSAA and ARP awards, OPE officials stated that the ERU implemented steps to identify and resolve duplicate awards prior to and after obligating HEERF funds. The officials stated that the ERU created a process using a business analytics tool and spreadsheets whereby staff manually compared grant award numbers on the spreadsheets and corrected duplicates prior to awarding the funds. OPE officials further stated that this process included multiple staff checking each grant award after funds were obligated.

OPE officials explained that their processes were continuously improving, and the number of duplicate awards decreased as staff worked through each iteration of HEERF funding. The officials also explained that, when duplicate awards were identified, staff would place a payment flag in G5 to prevent the school from drawing down funds without first requesting approval from OPE. They also stated that staff would later complete any corrective actions when time permitted. According to the OPE officials, staff should document corrective actions in G5.

Improvements Needed to OPE Procedures

Even as their processes evolved over time, we noted that OPE did not have written procedures for identifying and correcting duplicate awards in a timely manner or for documenting schools identified as having a duplicate award and the corrective action taken. OPE officials did not provide records detailing all of the duplicate awards that its processes had identified, nor the corrective actions taken, because OPE did not consistently document this information. In a few instances, OPE documented the corrective action in emails to the school and not in G5.

Additionally, OPE documented the ERU's process for awarding HEERF funds in November 2021, after it had already obligated HEERF funds to schools under CRRSAA and ARP. We noted that this process included a step designed to highlight duplicate school information, such as school names and identification numbers. However, OPE officials stated that staff did not perform reviews of G5 data that specifically searched for duplicate award amounts, such as the analysis we performed. OPE officials further stated that they plan to hire an experienced person to perform data analytics.

Duplicate Award Trends

As described above, OPE officials stated that the number of duplicate awards declined with each iteration of HEERF funding. Our results identified fewer duplicate awards under CRRSAA and ARP than we identified under the CARES Act, but found that the number of duplicate awards actually increased slightly from CRRSAA to ARP. Of the 25 duplicate awards we identified, OPE made 13 duplicate awards under the CARES Act, 5 duplicate awards under CRRSAA, and 7 duplicate awards under ARP. We noted

3 payment flags annotated in G5 prior to us notifying OPE of the 25 duplicate awards, and 15 payment flags annotated in G5 after we notified OPE. At the time of our review, the remaining seven duplicate awards did not have a payment flag recorded in G5 due to a duplicate award.

Correction of Duplicate HEERF Awards

Our review of G5 data found that OPE did not always identify or correct the erroneous awards in a timely manner. As of January 2022, OPE had corrected 24 of the 25 duplicate HEERF awards that we identified and was working to resolve the duplicate award for the remaining school. OPE corrected 18 of the 24 duplicate awards after we brought them to its attention and corrected another 5 awards after we identified them as unresolved but before we notified OPE. One duplicate award was corrected in June 2021, which was before our analysis, but the correction was not documented in G5.

We determined that the length of time to correct the 24 resolved duplicate awards identified by our review ranged from an average of about 4 months (for grants awarded under the ARP) to more than 16 months (for CARES Act grants), as shown in Table 1. For example, OPE made a duplicate CARES Act award to one school in July 2020 but did not reduce the school's grant award by the duplicate amount until November 2021. Another school had two Student Aid Portion (ALN 84.425E) awards under the CARES Act in July 2020 but OPE did not document until January 2022 that the school was authorized to treat the duplicate award as its Institutional Portion (ALN 84.425F) award.

Table 1. Length of Time to Correct Duplicate Awards

Law	Number of Awards	Duplicate Award Dates	Correction Dates	Average Time to Correct
CARES Act	12	April 2020–November 2020	June 2021–January 2022	16.8 months
CRRSAA	5	January 2021–May 2021	August 2021–November 2021	7.6 months
ARP	7	May 2021–August 2021	August 2021–January 2022	4.4 months
Total	24	-	-	-

SOURCE: Office of Inspector General (OIG) Analysis of G5 Data (24 resolved duplicate awards) and OPE Correspondence with 3 Schools

OPE resolved the 24 erroneous awards in one of the following ways:

- reducing the school's grant award by the duplicate award amount in G5 (20 duplicate awards involving 19 schools),
- authorizing the school to treat the duplicate Student Aid Portion (ALN 84.425E) award as its Institutional Portion (ALN 84.425F) award (3 schools),⁹ or
- reducing the school's ARP award amount in G5 by the duplicate CARES Act award amount (1 school).

After completing our review, the one remaining duplicate award, which OPE had been in the process of correcting, appeared to be resolved. According to a G5 activity report, in March 2022 the school had returned the duplicate CARES Act award funds it had drawn down in July 2020.

Risks Associated with Duplicate Awards

Without a more effective quality assurance review process to timely identify, correct, and document duplicate awards, there is heightened risk of OPE making overpayments to schools resulting in some schools drawing down more funds than they were allocated. The \$73 million in duplicate awards we identified was at risk of the 24 schools drawing down and inappropriately spending the funds. Although most of these schools did not draw down or later returned funds from their duplicate award, at the time of our review two schools had drawn down and retained \$1.2 million in duplicate CARES Act awards. OPE recovered the funds from one school by reducing its ARP award by the amount of the duplicate award in January 2022, and the other school returned the funds in March 2022. Nevertheless, it is important that OPE have adequate procedures in place to prevent and timely identify and correct duplicate awards as well as to adequately document these actions. To strengthen these procedures, OPE could use data analytics, including analyses of award amounts, to supplement its processes for identifying duplicate awards.

What We Recommend

We recommend that the Assistant Secretary for Postsecondary Education—

- 1.1 Design and implement written policies and procedures for HEERF and other future emergency programs that specifically address (1) application and award verification procedures designed to prevent duplicate awards from occurring, (2) quality assurance reviews of obligated HEERF funds including analyses to

⁹ OPE documented the corrective action via email correspondence with the school.

identify duplicate awards, and (3) the correction and documentation of erroneous awards in a timely manner.

OPE Comments

We provided a draft of this report to OPE for comment. We summarized OPE's comments below and provide the full text of the comments at the end of this report.

While OPE did not state whether it agreed or disagreed with the finding, OPE agreed with the recommendation, stating that it has already established and will continue to enhance procedures for quality control of grant obligations to schools, including application and award verification procedures, quality assurance reviews of HEERF grant awards, and the correction and documentation of erroneous awards in a timely manner for potential use in future emergency programs. OPE noted that the Department was aware of all but 1 of the 25 duplicate awards we had identified, and that it had fully resolved or was in the process of resolving the duplicate awards. OPE also described its efforts to award HEERF grant funds quickly with limited staff and resources while establishing and enhancing quality controls to identify, correct, and eliminate award errors.

OPE also provided technical comments regarding our trend analysis of negative transactions that we discussed in the draft report. OPE stated that the negative transactions used as indicators in our analysis are not always an accurate indicator of duplicate awards and provided examples of other reasons for negative transactions.

OIG Response

OPE's proposed action to continue to improve quality control procedures to prevent, identify, correct, and document erroneous grant awards is responsive to our recommendation, if it is implemented as described and includes thorough analyses to identify duplicate awards.

Regarding OPE's statement that Department officials were aware of all but one of the duplicate awards that we identified, we did not receive evidence showing when OPE became aware of the duplicate awards. As noted in our finding, OPE did not consistently document the existence of duplicate awards that it had identified. In addition, OPE corrected most of the 25 duplicate awards we had identified after we brought them to its attention.

Regarding OPE's technical comments about negative transactions, we agree that these transactions are not always an accurate indicator of duplicate awards.

The draft report discussed and referenced negative transactions (under the headings Duplicate Award Trends, Correction of Duplicate HEERF Awards, and Appendix A) and

characterized as "significant" the number of duplicate awards that OPE identified and corrected (under What We Found). Based on OPE's technical comments, we removed the discussion and references regarding negative transactions and modified Appendix A accordingly. We also replaced the word "significant" with the word "many" to reflect what OPE officials told us during our review. We did not make further changes to the finding or recommendation in response to OPE's comments.

Appendix A. Scope and Methodology

We reviewed G5 data to identify duplicate HEERF awards as of August 2021. To achieve our objective, we downloaded HEERF grant award and transaction reports from G5 and used data analytics to identify duplicate award amounts. For each duplicate award, we reviewed supporting documentation in G5, including External Award Activity History Detail Reports, Flag Activity Reports, Applications, Certification and Agreement letters, and Grant Award Notifications, to validate that a duplicate award existed. Our review covered all HEERF funds that OPE awarded to schools from April 2020 through August 2021 for eight HEERF subprograms under the CARES Act, CRRSAA, and ARP.

We also gained an understanding of the following Federal requirements and guidance, and reviewed a GAO report, relevant to administering HEERF funds and duplicate HEERF awards:

- Federal Requirements and Guidance—OMB Memorandum M-20-21 (April 2020), Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19); OMB Memorandum M-21-20 (March 2021), Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources; and U.S. Department of Education Departmental Directive, Guide for Managing Formula Grant Programs (OFO-F: 2-111, August 2019); and
- GAO Report—COVID-19: Continued Attention Needed to Enhance Federal Preparedness, Response, Service Delivery, and Program Integrity (GAO-21-551), July 2021.

To gain an understanding of OPE's policies, procedures, and processes for identifying, correcting, and documenting duplicate awards prior to and after HEERF funds were obligated, we interviewed senior OPE officials, including ERU officials; reviewed corrective actions taken in response to GAO's July 2021 report; and reviewed the reasons duplicate awards occurred and actions taken to correct them for the 24 schools we identified as having 25 duplicate awards.

We also verified the corrections that OPE made for 24 of the 25 duplicate awards we identified by reviewing supporting documentation in G5, including transaction reports, grant award notifications, and comment fields. We also reviewed OPE correspondence with the three schools that were authorized to treat the duplicate Student Aid Portion (ALN 84.425E) award as an Institutional Portion (ALN 84.425F) award. For the one school that OPE was working to resolve at the time of our review, we downloaded a G5 activity report and noted the return of funds in March 2022.

Our review addressed schools that had duplicate awards and not other types of award discrepancies. To try to corroborate the number of duplicate awards that OPE had corrected for each iteration of HEERF funding, we analyzed G5 data to identify instances of award amounts that were later reversed by the exact same dollar amount (negative obligation) as of January 2022. We did not verify whether the negative obligations were in fact duplicate awards or due to other types of discrepancies.

Use of Computer-Processed Data

The use of computer-processed data for our flash report was limited to querying and downloading reports from G5 containing HEERF grant award data, including award numbers and authorization amounts. We analyzed this data to identify duplicate HEERF awards to schools. To assess the reliability of our analysis, our Technology and Analytics Services specialists independently verified the results of our query. We also performed limited data quality checks by reviewing supporting documentation and determined that the G5 data used in our analysis were reliable for the purposes of this review.

Compliance with Standards

We conducted our work in accordance with OIG’s quality control standards and the Council of the Inspectors General on Integrity and Efficiency’s (CIGIE) “Quality Standards for Federal Offices of Inspector General,” which require that we conduct our work with integrity, objectivity, and independence. We believe that the information obtained provides a reasonable basis for our conclusions.

We performed our review remotely from September 2021 through January 2022 and updated our work in March 2022 to reflect the return of funds from the one remaining school that was unresolved during the time of our review. We held an exit conference with OPE officials on January 13, 2022, to discuss the results of our review.

Appendix B. Higher Education Emergency Relief Funds Subprograms

Table 2 lists the 10 HEERF subprograms and identifies the 8 subprograms included in our review. Our review did not include the Institutional Resilience and Expanded Postsecondary Opportunity (ALN 84.425P) and Supplemental Assistance to Institutions of Higher Education (ALN 84.425S) subprograms because OPE had not awarded HEERF funding for these subprograms as of August 2021.

Table 2. HEERF Subprograms

Assistance Listing Number and Alphabetic Identifier	Subprogram Name	Included in OIG Review
84.425E	Student Aid Portion	X
84.425F	Institutional Portion	X
84.425J	Historically Black Colleges and Universities	X
84.425K	Tribally Controlled Colleges and Universities	X
84.425L	Minority Serving Institutions	X
84.425M	Strengthening Institutions Program	X
84.425N	Fund for the Improvement of Postsecondary Education Formula Grant	X
84.425P	Institutional Resilience and Expanded Postsecondary Opportunity	-
84.425Q	Proprietary Institutions Grant Funds for Students	X
84.425S	Supplemental Assistance to Institutions of Higher Education	-

Appendix C. Acronyms and Abbreviations

ALN	Assistance Listing Number
ARP	American Rescue Plan
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act
CIGIE	Council of the Inspectors General on Integrity and Efficiency
Department	U.S. Department of Education
ERU	Emergency Response Unit
GAO	U.S. Government Accountability Office
HEERF	Higher Education Emergency Relief Fund
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPE	Office of Postsecondary Education

OPE Comments



UNITED STATES DEPARTMENT OF EDUCATION OFFICE OF POSTSECONDARY EDUCATION

MEMORANDUM

DATE: 5/13/2022

TO: Daniel P. Schultz
Director of Pandemic Relief Audits
Office of Inspector General
U.S. Department of Education

Keith Cummins
Director of State and Local Advisory & Assistance
Office of the Inspector General
U.S. Department of Education

FROM: Michelle Asha Cooper, Ph.D.,
Acting Assistant Secretary, Office of Postsecondary Education
U.S. Department of Education

SUBJECT: Draft Flash Report
“Duplicate Higher Education Emergency Relief Fund Grant Awards”
(ED-OIG/F20CA0047)

Thank you for the opportunity to provide comments on the above-referenced draft flash report. We appreciate the work that went into drafting the report, the sharing of observations for the Department of Education’s (ED) attention, and the opportunity to review and comment on the draft report.

We have reviewed the draft report and are providing comments to the report through this memorandum. As requested, we are sending a copy of our comments as a PDF file to Daniel P. Schultz (Daniel.P.Schultz@ed.gov), Director of Pandemic Relief Audits, and Keith Cummins, Director of State and Local Advisory & Assistance (Keith.Cummins@ed.gov). We are also providing an electronic copy of our comments in a Microsoft Word file to meet accessibility requirements of Section 508 of the Rehabilitation act of 1973, as amended.

It is our understanding that the purpose of the audit was to address duplicate awards identified when analyzing Higher Education Emergency Relief Fund (HEERF) program award data in the Department’s grants management system (G5). In addition, we understand the recommendations made are to the Assistant Secretary of OPE as written in the report.

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The Department of Education’s mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

We provide our specific comments on the draft report as follows:

RECOMMENDATION: We recommend that the Assistant Secretary for OPE

1.1 Design and implement written policies and procedures for HEERF and other future emergency programs that specifically address (1) application and award verification procedures designed to prevent duplicate awards from occurring, (2) quality assurance reviews of obligated HEERF funds including analyses to identify duplicate awards, and (3) the correction and documentation of erroneous awards in a timely manner.

OPE RESPONSE

OPE agrees with the one recommendation. OPE has already established and will continue to enhance procedures for quality control of grant obligations to institutions of higher education (IHEs), including application and award verification procedures, quality assurance reviews of obligated HEERF awards, and the correction and documentation of erroneous awards in a timely manner for potential use in future emergency programs.

We take seriously our obligation to ensure program integrity even as we seek to help IHEs meet urgent needs because of the pandemic. We continuously improved the administration of the programs to meet urgent needs with appropriate accountability. Importantly, we note that among the double obligations identified, the Department was aware of all but one and had fully resolved or was in the process of resolving the duplicate awards. It is also important to note that no HEERF grant funds were ultimately misspent. OPE quickly worked to resolve all identified instances that were not previously corrected and recovered funds where necessary, without any harm to the taxpayer.

One item that is important to note that, given the significant amount of funds under HEERF—exceeding 30,000 awards across three pieces of legislation—and because of unparalleled circumstances, OPE was required to award grants as it was simultaneously developing the program, and navigating the national emergency with limited staff and resources that had to themselves transition from in-person to remote circumstances. Because of the ongoing emergency and multiple rounds of relief, OPE worked continuously to improve the administration of the funds and put as many processes effectively in place as it practicably could, given the need to get funds out quickly to address the national emergency.

OPE quickly established and enhanced internal controls, responded to hundreds of questions from applicants and grantees, held webinars, worked with auditors and others to develop audit processes and information in OMB's Compliance Supplement and support OIG's HEERF Audit Guide, and issued timely and comprehensive guidance to help ensure that this unprecedented level of new funds to address the national COVID-19 emergency would be made available expeditiously and appropriately while continually improving its processes and controls.

OPE implemented a series of enhanced processes, which include a front-end process at the application stage to identify potential duplicates by working with the grants G5 Team in the Department's Office of Finance and Operations (OFO) to provide lists of potential duplicates for research and resolution and by implementing a post-award process using internal controls through which staff manually search and correct for duplicates through timely and appropriate

obligation of funds. OPE staff have taken various actions to rectify any errors identified; such actions include the de-obligation of funds, restricting access to funds, and/or requiring an IHE to return funds to the Department.

OPE also established the Emergency Response Unit (ERU), which is dedicated to the administration of HEERF grants, and fully staffed this office by June 2021. Since the creation of the ERU, OPE staff continue to receive the necessary and mandated training to ensure employees possess the knowledge, tools, and resources to successfully perform the tasks and responsibilities of the grant-making processes, which includes quality controls for pre- and post-obligations, as well as for monitoring HEERF grants.

The significant amount of time and effort dedicated to quality control is evidenced by the very small percentage of errors identified by the OIG: fewer than 0.1 percent of the more than 30,000 HEERF awards made by OPE under the CARES Act, CRRSAA, and ARP.

Additionally, as a result of these efforts, OPE has seen the number of errors significantly decline since the beginning of the program. Between CARES Act and ARP implementation, the rate of errors declined by 85 percent, which is evidence of the improved quality control mechanisms developed and implemented over time. The majority of errors that did occur across awards were caught and corrected timely, with no adverse impact.

In addition, OPE conducted a complete post-award analysis of all HEERF grants awarded in concert with our G5 grant system and Budget Service and is memorializing this process to ensure that OPE comprehensively identifies and corrects any errors in funding in the future. OPE is committed to eliminating the occurrence of errors and to promptly rectifying when errors occur. The Department reiterates that we are committed to continuous improvement.

Technical Comments

OPE would like to note the following clarifications to details included in the draft report.

1.) The draft report states that based on an analysis, OIG noted more than 500 instances of negative transactions across 7 HEERF subprograms, which it concludes were likely the result of duplicate awards. OPE notes that there are many reasons for negative transactions that are not the result of duplicate awards and instances of duplicate awards were significantly smaller. Reasons for negative transactions include, corrections made to allocation tables which resulted in corrections in awards, correcting obligation amounts, deobligating funds to institutions that declined awards or supplements and to institutions that were in the process of closing, as appropriate.

A sizeable majority of the grant awards identified on the list of negative transactions are corrections to grant awards, and many of the corrections required multiple deobligations. Our review, which was verified by the G5 team, confirms that a negative amount is not an accurate indicator of duplicate obligations since any corrections to the grant award will appear as a negative balance. For example, over 75 awards for the 84.425L and 84.425M Assistance Living Number (ALN) required corrections as a result of an update to the CARES allocation table, a role not within OPE's jurisdiction. This required funds to be de-obligated to ensure the IHEs did not receive more funds than they were entitled to, until the correct allocation table was

generated. Fifteen awards (84.425J) did not initially receive the total amount because they fell under more than one category. The initial funds were de-obligated to include all funding streams for these institutions and the correct amounts were reallocated. Another 15 grant awards had to be deobligated due to a change in the fiscal year as funds could no longer be obligated in a new fiscal year without adjustment to the accounting string in G5, also the role of another office within the Department. Finally, the negative transactions account for more than 65 institutions that either declined funds and closed or were closing so funds were deobligated.

Summary

Thank you for the opportunity to respond to the draft report. OPE is proud of the work we have done in service to students and institutions at a time of extraordinary need for our nation. OPE enthusiastically responded to the call to service, obligating more than 30,000 awards in a timely manner while simultaneously being good stewards of the \$76 billion in emergency relief funding and providing ongoing technical assistance to college and university leaders and representatives. College presidents tell us that IHEs relied on these resources to help students stay enrolled, keep faculty and staff employed, and slow the spread of the pandemic. OPE will continue to continually improve our quality control processes and procedures in the awarding of funds, as warranted.

Sincerely,

Michelle A.
Cooper

 Digitally signed by Michelle A. Cooper
Date: 2022.05.13 17:40:01 -0400

Michelle Asha Cooper, Ph.D.
Acting Assistant Secretary
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